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US BANK/FCC MAY 29 2009

WC 09-95

Stamp and Return

May 28, 2009

Nancy J. Victory  
202.719.7344  
[nvictory@wileyrein.com](mailto:nvictory@wileyrein.com)

Federal Communications Commission  
Wireline Competition Bureau Applications  
P.O. Box 979091  
St. Louis, MO 63197-9000

**Re: Application of Contel of the South, Inc. d/b/a/ Verizon Mid-States,  
Verizon Communications Inc. and Frontier Communications  
Corporation for Consent to Transfer Control of Domestic Section 214  
Authority**

Dear Sir/Madam:

Enclosed please find a completed Form 159 with a payment in the amount of \$1,015.00 in satisfaction of the required filing fee associated with an application to transfer the domestic Section 214 authorization of Contel of the South, Inc. d/b/a/ Verizon Mid-States from Verizon Communications Inc. ("Verizon") to Frontier Communications Corporation ("Frontier"). Pursuant to Section 63.04 of the Commission's rules, on May 28, 2009, Verizon and Frontier filed electronically a joint domestic and international Section 214 application through the International Bureau Filing System ("IBFS"). A copy of this filing is attached.

Please stamp and return the extra copy in the enclosed, self-addressed envelope. Should you have any questions concerning this filing, please contact the undersigned.

Sincerely,

Nancy J. Victory  
Counsel for Verizon

Enclosures

READ INSTRUCTIONS CAREFULLY  
BEFORE PROCEEDING

FEDERAL COMMUNICATIONS COMMISSION  
REMITTANCE ADVICE

Approved by OMB  
3060-0589  
Page 1 of 1

(1) LOCKBOX #  979091		<b>US BANK/FCC MAY 29 2009</b>		SPECIAL USE ONLY	
				FCC USE ONLY	
<b>SECTION A - PAYER INFORMATION</b>					
(2) PAYER NAME (if paying by credit card enter name exactly as it appears on the card) Wiley Rein LLP				(3) TOTAL AMOUNT PAID (U.S. Dollars and cents) 1,015.00	
(4) STREET ADDRESS LINE NO. 1 1776 K Street, NW					
(5) STREET ADDRESS LINE NO. 2					
(6) CITY Washington				(7) STATE DC	(8) ZIP CODE 20006
(9) DAYTIME TELEPHONE NUMBER (include area code) 202-719-7000			(10) COUNTRY CODE (if not in U.S.A.)		
<b>FCC REGISTRATION NUMBER (FRN) REQUIRED</b>					
(11) PAYER (FRN) 0002151744			(12) FCC USE ONLY		
IF MORE THAN ONE APPLICANT, USE CONTINUATION SHEETS (FORM 159-C) COMPLETE SECTION BELOW FOR EACH SERVICE, IF MORE BOXES ARE NEEDED, USE CONTINUATION SHEET					
(13) APPLICANT NAME Contel of the South, Inc. dba Verizon Mid-States					
(14) STREET ADDRESS LINE NO. 1 1300 I St., NW					
(15) STREET ADDRESS LINE NO. 2 Room 400W					
(16) CITY Washington				(17) STATE DC	(18) ZIP CODE 20005
(19) DAYTIME TELEPHONE NUMBER (include area code) 703-351-3193			(20) COUNTRY CODE (if not in U.S.A.)		
<b>FCC REGISTRATION NUMBER (FRN) REQUIRED</b>					
(21) APPLICANT (FRN) 0001855543			(22) FCC USE ONLY		
<b>COMPLETE SECTION C FOR EACH SERVICE, IF MORE BOXES ARE NEEDED, USE CONTINUATION SHEET</b>					
(23A) CALL SIGN/OTHER ID Domestic Section 214		(24A) PAYMENT TYPE CODE CUT		(25A) QUANTITY 1	
(26A) FEE DUE FOR (PTC) 1,015.00		(27A) TOTAL FEE 1,015.00		FCC USE ONLY	
(28A) FCC CODE 1		(29A) FCC CODE 2			
(23B) CALL SIGN/OTHER ID		(24B) PAYMENT TYPE CODE		(25B) QUANTITY	
(26B) FEE DUE FOR (PTC)		(27B) TOTAL FEE		FCC USE ONLY	
(28B) FCC CODE 1		(29B) FCC CODE 2			
<b>SECTION D - CERTIFICATION</b>					
<b>CERTIFICATION STATEMENT</b> I, _____, certify under penalty of perjury that the foregoing and supporting information is true and correct to the best of my knowledge, information and belief SIGNATURE _____ DATE _____					
<b>SECTION E - CREDIT CARD PAYMENT INFORMATION</b>					
MASTERCARD _____ VISA _____ AMEX _____ DISCOVER _____ ACCOUNT NUMBER _____ EXPIRATION DATE _____ I hereby authorize the FCC to charge my credit card for the service(s) authorization herein described SIGNATURE _____ DATE _____					

**INTERNATIONAL SECTION 214 AUTHORIZATIONS  
FOR ASSIGNMENT OR  
TRANSFER OF CONTROL  
FCC FORM 214TC  
FOR OFFICIAL USE ONLY**

**APPLICANT INFORMATION**

Enter a description of this application to identify it on the main menu:

Application for Transfer of Control of Contel of the South, Inc.'s Section 214 Authority to Frontier Communications Corporation

**1. Legal Name of Applicant**

Name:	Contel of the South, Inc. dba Verizon Mid-States	Phone Number:	703-351-3193
DBA Name:		Fax Number:	703-351-3662
Street:	1300 I St., NW Room 400W	E-Mail:	karen.zacharia@verizon.com
City:	Washington	State:	DC
Country:	USA	Zipcode:	20005 -
Attention:	Karen Zacharia		

**2. Name of Contact Representative**

Name:	Nancy J. Victory	Phone Number:	202-719-7344
Company:	Wiley Rein LLP	Fax Number:	202-719-7049
Street:	1776 K Street, NW	E-Mail:	nvictory@wileyrein.com
City:	Washington	State:	DC
Country:	USA	Zipcode:	20006-
Attention:	Nancy J. Victory	Relationship:	Legal Counsel

**CLASSIFICATION OF FILING**

3. Choose the button next to the classification that best describes this filing. Choose only one.

☐ a. Assignment of Section 214 Authority

An Assignment of an authorization is a transaction in which the authorization, or a portion of it, is assigned from one entity to another. Following an assignment, the authorization will usually be held by an entity other than the one to which it was originally granted. (See Section 63.24(b).)

☐ b. Transfer of Control of Section 214 Authority

A Transfer of Control is a transaction in which the authorization remains held by the same entity, but there is a change in the entity or entities that control the authorization holder. (See Section 63.24(c).)

☐ c. Notification of Pro Forma Assignment of Section 214 Authority ( No fee required )

☐ d. Notification of Pro Forma Transfer of Control of Section 214 Authority ( No fee required )

Date of Consummation: **Must be completed if you select c or d.**

4. File Number(s) of Section 214 Authority(ies) for Which You Seek Consent to Assign or Transfer Control.

Note: If the Section 214 Authorization Holder whose authority is being assigned or transferred does not have an "ITC" File No. under which it is operating, contact the Help Desk for assistance before proceeding further with this application. You cannot enter an "ITC-ASG" or "ITC-T/C" File No. in response to this question. Your response must specify one or more "ITC" File Nos. Relevant "ITC-ASG" or "ITC-T/C" File Nos. should be listed only in Attachment 1 in response to Question 10.

File Number: ITC2142008021900081	File Number:	File Number:	File Number:	File Number:	File Number:	File Number:	File Number:
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5. Name of Section 214 Authorization Holder

Name:	Contel of the South, Inc. dba Verizon Mid-States	Phone Number:	703-351-3193
DBA Name:		Fax Number:	703-351-3662
Street:	1300 I St., NW Room 400W	E-Mail:	karen.zacharia@verizon.com
City:	Washington	State:	DC
Country:	USA	Zipcode:	20005 -
Attention:	Karen Zacharia		

6. Name of Assignor / Transferor

Name:	Verizon Communications Inc.	Phone Number:	703-351-3193
DBA Name:		Fax Number:	703-351-3662
Street:	1300 I St., NW Room 400 W	E-Mail:	karen.zacharia@verizon.com
City:	Washington	State:	DC
Country:	USA	Zipcode:	20005 -
Attention:	Karen Zacharia		

7. Name of Assignee / Transferee

Name:	Frontier Communications Corporation	Phone Number:	585-777-5645
DBA Name:		Fax Number:	
Street:	250 South Franklin	E-Mail:	Ken.Mason@frontiercorp.com
City:	Cookeville	State:	TN
Country:	USA	Zipcode:	38501 -
Attention:	Kenneth F. Mason		

8a. Is a fee submitted with this application?

☒ If Yes, complete and attach FCC Form 159.

If No, indicate reason for fee exemption (see 47 C.F.R. Section 1.1114).

- ☐ Governmental Entity ☐ Noncommercial educational licensee ☐ Notification of Pro Forma (No fee required.)  
☐ Other (please explain):

8b. You must file a separate application for each legal entity that holds one or more Section 214 authorizations to be assigned or transferred.

Fee Classification CUT - Section 214 Authority

9. Description (Summarize the nature of the application.)

The instant application seeks FCC consent for the transfer of control of international Section 214 authority held by Contel of the South, Inc. d/b/a/ Verizon Mid-States from Verizon Communications Inc. to Frontier Communications Corporation.

10. In Attachment 1, please respond to paragraphs (c) and (d) of Section 63.18 with respect to the assignor/transferor and the assignee/transferee. Label your response "Answer to Question 10".

11. Does any entity, directly or indirectly, own at least ten (10) percent of the equity of the assignee/transferee as determined by successive multiplication in the manner specified in the note to Section 63.18(h) of the rules? ☐ Yes ☒ No

If you answered "Yes" to this question, provide in Attachment 1, the name, address, citizenship, and principal businesses of each person or entity that directly or indirectly owns at least ten (10) percent of the equity of the assignee/transferee, and the percentage of equity owned by each of those persons or entities (to the nearest one percent). Label your response "Answer to Question 11."

12. Does the assignee/transferee have any interlocking directorates with a foreign carrier? ☐ Yes ☒ No

If you answered "Yes" to this question, identify each interlocking officer/director in Attachment 1. (See Section 63.09(g).) Provide the name and position/title of the individual or entity, the name of the foreign carrier, and the

country in which the foreign carrier is authorized to operate. Label your response: "Answer to Question 12."

13. Provide in Attachment 1 a narrative of the means by which the proposed assignment or transfer of control will take place. In circumstances of a substantial assignment or transfer of control pursuant to Section 63.24(e), where the assignor seeks authority to assign only a portion of its U.S. international assets and/or customer base, please specify whether the assignor requests authority to continue to operate under any or all of its international Section 214 File Nos. after consummation; and, if so, please specify in Attachment 1 each File No. it seeks to retain in its own name. Label your response "Answer to Question 13."

Note: The assignor may retain any or all of its international Section 214 File Nos. In that case, the assignor will continue to hold the international section 214 authorizations that it specifies in response to this question. The ITC-ASG File No. that the Commission assigns to this application will, when granted, constitute Commission authorization of the proposed assignment of assets and /or customers from the assignor to the assignee. Unless Commission grant of the assignment application specifies otherwise, the assignee may provide the same services on the same routes as permitted under the assignor's Section 214 authorization(s), and the assignee may provide such service to any customers it may obtain in the ordinary course of business.

If this filing is not a notification of a *pro forma* assignment or *pro forma* transfer of control, please respond to Questions 14-20 below. (See Section 63.24(d).) Otherwise, you may proceed to Question 21 below.

14. Check "Yes" below if the assignee is a foreign carrier or if, upon consummation of the proposed assignment or transfer of control, the Section 214 holder would be affiliated with a foreign carrier. (See Section 63.18 (i).) The terms "foreign carrier" and "affiliated" are defined in Section 63.09 (d) & (e) of the rules respectively. ☐ Yes ☒ No

If you answered "Yes" to this question, please specify in Attachment 1 each foreign country in which the assignee is a foreign carrier or in which the Section 214 holder, upon consummation, would be affiliated with a foreign carrier. Label your response, "Answer to Question 14."

15. If this application is granted and the proposed assignment or transfer is consummated, would the Section 214 holder be authorized to provide service to any destination country for which any of the following statements is true? ☐ Yes ☒ No

- (1) The Section 214 holder is a foreign carrier in that country; or
- (2) The Section 214 holder controls a foreign carrier in that country; or
- (3) Any entity that owns more than 25 percent of the Section 214 holder, or that controls the Section 214 holder, controls a foreign carrier in that country.
- (4) Two or more foreign carriers (or parties that control foreign carriers) own, in the aggregate, more than 25 percent of the Section 214 holder and are parties to, or the beneficiaries of, a contractual relation (e.g., a joint venture or market alliance) affecting the provision or marketing of international basic telecommunications services in the United States.

If you answered "Yes" to this question, please specify in Attachment 1 each foreign carrier and country for which any of the above statements would be true. Label your response, "Answer to Question 15."

16. If you answered "Yes" to question 14, do you request classification of the Section 214 holder as a "non-dominant" carrier, upon consummation of the proposed transaction, between the United States and *any or all* countries listed in response to Question 14? See Section 63.10 of the rules. ☐ Yes ☒ No

If you answered "Yes" to this question, you must provide information in Attachment 1 to demonstrate that the Section 214 holder would qualify for non-dominant classification under Section 63.10 of the rules on each U.S.-destination country route where it would be a foreign carrier, or would be affiliated with a foreign carrier and for which you request non-dominant classification. Label your response, "Answer to Question 16."

17. If you answered "Yes" to question 14 and you have not provided information in response to Question 16 to demonstrate that the Section 214 holder would qualify for non-dominant classification under Section 63.10 of the rules on each U.S.-destination country route where it would be a foreign carrier, or be affiliated with a foreign carrier, check "Yes" below to certify that the assignee/transferee agrees to comply with the dominant carrier safeguards in Section 63.10 (c) & (e) of the rules in the provision of international service between the United States and any foreign country(ies) for which you have not provided the required information.

☐ Yes, I certify that I agree to comply with the dominant carrier safeguards in Section 63.10 (c) & (e) of the rules in my provision of international service between the United States and the following foreign country(ies):

☒ No, Does not apply.

18. If you answered "Yes" to question 15, and if you have not provided information in response to question 16 to demonstrate that the Section 214 holder would qualify for non-dominant classification under Section 63.10 of the rules in its provision of service to each of the countries identified in response to question 15, the Section 214 holder may not be eligible to provide international telecommunications service between the U.S. and each such country following consummation of the assignment or transfer. In order to determine whether the public interest would be served by authorizing service on these U.S.-destination country routes, the assignee/transferee must provide information, in Attachment 1, to satisfy one of the showings specified in Section 63.18(k) of the rules. Label your response, "Answer to Question 18."

19. If the assignee, or the Section 214 holder that is the subject of this transfer of control application, is a provider of Commercial Mobile Radio Services, you need not answer this question.

If any of the Section 214 authorization(s) that would be assigned or transferred, authorize the Section 214 holder to resell the international

switched services of an unaffiliated U.S. carrier for the purpose of providing international telecommunications services to a country listed in response to question 14, and unless you have provided information in response to question 16 to demonstrate that the Section 214 holder would qualify for non-dominant classification under Section 63.10(a)(3) of the rules for each country, check "Yes" below to certify that the assignee/transferee will file the quarterly traffic reports required by Section 43.61(c) of the rules; and/or state in Attachment 1 that the foreign carrier(s) for which the applicant has not made a showing under Section 63.10(c)(3) do(es) not collect settlement payments from U.S. international carriers. (See Section 63.18(l).)

☒ Yes, I certify that I agree to comply with the quarterly traffic reporting requirements set forth in section 43.61(c) of the rules.

20. If the applicant desires streamlined processing pursuant to Section 63.12 of the rules, provide in Attachment 1 a statement of how the application qualifies for streamlined processing. (See Section 63.18(p).) Note that, if the application is being filed in connection with a sale of assets or reorganization of a carrier or its parent pursuant to the U.S. bankruptcy laws, the application may not be eligible for streamlined processing until final bankruptcy court approval of the proposed sale or reorganization.

Applicant certifies that its responses to questions 21 through 25 are true:

21. The assignee/transferee certifies that it has not agreed to accept special concessions directly or indirectly from a foreign carrier with respect to any U.S. international route where the foreign carrier possesses sufficient market power on the foreign end of the route to affect competition adversely in the U.S. market and will not enter into any such agreements in the future. ☒ Yes ☐ No

22. By signing this application, the undersigned certify either (1) that the authorization(s) will not be assigned or that control of the authorization(s) will not be transferred until the consent of the Federal Communications Commission has been given, or (2) that prior Commission consent is not required because the transaction is subject to the notification procedures for *pro forma* transactions under Section 63.24 of the rules. The assignee/transferee also acknowledges that the Commission must be notified by letter within 30 days of a consummation or of a decision not to consummate. (See Section 63.24(e)(4).) ☒ Yes ☐ No

23. If this filing is a notification of a *pro forma* assignment or transfer of control, the undersigned certify that the assignment or transfer of control was *pro forma* and that, together with all previous *pro forma* transactions, does not result in a change in the actual controlling party. ☐ Yes ☐ No ☒ Not a Pro Forma

24. The undersigned certify that all statements made in this application and in the exhibits, attachments, or documents incorporated by reference are material, are part of this application, and are true, complete, correct, and made in good faith. ☒ Yes ☐ No

25. The assignee/transferee certifies that neither it nor any other party to the application is subject to a denial of Federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988, 21 U.S.C. § 862, because of a conviction for possession or distribution of a controlled substance. See Section 1.2002(b) of the rules, 47 CFR § 1.2002(b), for the definition of "party to the application" as used in this certification. ☒ Yes ☐ No

### CERTIFICATION

26. Printed Name of Assignor / Transferor Verizon Communications Inc.	29. Printed Name of Assignee / Transferee Frontier Communications Corporation
27. Title (Office Held by Person Signing) Senior VP and Deputy General Counsel, VERIZON	30. Title (Office Held by Person Signing) Vice President, Government and Regulatory Affairs
28. Signature (Enter the name of the person who will sign the paper version of this form for retention in their files) Michael E. Glover	31. Signature (Enter the name of the person who will sign the paper version of this form for retention in their files) Kenneth F. Mason
<p><b>WILLFUL FALSE STATEMENTS MADE ON THIS FORM ARE PUNISHABLE BY FINE AND / OR IMPRISONMENT (U.S. Code, Title 18, Section 1001), AND/OR REVOCATION OF ANY STATION AUTHORIZATION (U.S. Code, Title 47, Section 312(a)(1)), AND/OR FORFEITURE (U.S. Code, Title 47, Section 503).</b></p>	

### FCC NOTICE REQUIRED BY THE PAPERWORK REDUCTION ACT

The public reporting for this collection of information is estimated to average 8 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the required data, and completing and reviewing the collection of information. If you have any comments on this burden estimate, or how we can improve the collection and reduce the burden it causes you, please write to the Federal Communications Commission, AMD-PER, Paperwork Reduction Project (3060-0686), Washington, DC 20554. We will also accept your comments regarding the Paperwork Reduction Act aspects of this collection via the Internet if you send them to PRA@fcc.gov. PLEASE DO NOT SEND COMPLETED FORMS TO THIS ADDRESS.

Remember - You are not required to respond to a collection of information sponsored by the Federal government, and the government may not conduct or sponsor this collection, unless it displays a currently valid OMB control number or if we fail to provide you with this notice. This collection has been assigned an OMB control number of 3060-0686.

THE FOREGOING NOTICE IS REQUIRED BY THE PAPERWORK REDUCTION ACT OF 1995, PUBLIC LAW 104-13, OCTOBER 1, 1995, 44 U.S.C. SECTION 3507.

**Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554**

*In the Matter of* )  
 )  
VERIZON COMMUNICATIONS INC. and )  
 )  
FRONTIER COMMUNICATIONS CORPORATION )  
 )  
Application for Consent to Assign and Transfer )  
Control of Authority to Provide Global )  
Facilities-Based and Global Resale )  
International Telecommunications Services and )  
to Assign and Transfer Control of Domestic )  
Common Carrier Transmission Lines, Pursuant )  
to Section 214 of the Communications Act of )  
1934, as Amended )

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**CONSOLIDATED APPLICATION FOR TRANSFER OF CONTROL AND  
ASSIGNMENT OF INTERNATIONAL AND DOMESTIC SECTION 214 AUTHORITY**

Pursuant to Section 214 of the Communications Act of 1934, as amended (“the Act”), and Sections 63.04, 63.18 and 63.24 of the Commission’s rules,<sup>1</sup> Verizon Communications Inc. (“Verizon”), New Communications of the Southwest Inc., New Communications of the Carolinas Inc., New Communications Online and Long Distance Inc. and Frontier Communications Corporation (“Frontier”) (collectively, “Applicants”) request Commission consent to partially assign or transfer control of certain international and domestic Section 214 authority held by various Verizon wholly-owned subsidiaries<sup>2</sup> to Frontier. Such authority is

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<sup>1</sup> 47 C.F.R. §§ 63.04, 63.18 and 63.24.

<sup>2</sup> The Verizon subsidiaries who hold Section 214 authorizations that will be included in this transaction are: Contel of the South, Inc. d/b/a Verizon Mid-States, Verizon California Inc., Verizon North Inc., Verizon Northwest Inc., Verizon South Inc., Verizon West Coast Inc. Verizon West Virginia Inc., Verizon Long Distance LLC, and Verizon Enterprise Solutions



necessary to effect the transfer to Frontier of Verizon's local wireline operations serving residential, small-business, and some enterprise customers and certain long distance customers in rural areas and smaller city service areas in 14 states.<sup>3</sup> The partial assignment or transfer of Section 214 authority requested herein would permit the transfer of (1) certain assets and customer relationships related to the provision of local exchange and exchange access services in the identified areas, and (2) certain long distance customer relationships in those areas.

The proposed transaction involves a series of *pro forma* reorganizations within Verizon, followed by a pro rata distribution of the common stock of New Communications Holdings Inc. ("NCH") to Verizon's shareholders. Immediately after this distribution, NCH will merge with and into Frontier, resulting in a transfer of NCH's subsidiaries. These various steps of the transaction are discussed in more detail in Exhibit 1 to this application. Pursuant to the Commission's practice, the requests for Commission consent to the various *pro forma* steps of the transaction as well as the ultimate merger with Frontier are consolidated into a single electronic filing for each affected Section 214 authorization holder.<sup>4</sup> Specifically, the Applicants seek consent to the following partial assignments and transfers of control:

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(Continued . . .)  
LLC.

<sup>3</sup> The transaction involves the transfer to Frontier of all of Verizon's local wireline operating territories in Arizona, Idaho, Illinois, Indiana, Michigan, Nevada, North Carolina, Ohio, Oregon, South Carolina, Washington, West Virginia and Wisconsin. In addition, the transaction will include a small number of Verizon's exchanges in California, including those bordering Arizona, Nevada and Oregon.

<sup>4</sup> Electronic IBFS forms and paper domestic Section 214 applications for each of these partial assignments or transfers are being filed concurrently. Also related to this transaction are seven applications for the assignment or transfer of radio licenses being filed today on ULS.

#### Assignment Applications:<sup>5</sup>

1. Partially assign Section 214 authority held by Verizon California Inc. to New Communications of the Southwest Inc., as owned by Frontier.<sup>6</sup>
2. Partially assign Section 214 authority held by Verizon South Inc. to New Communications of the Carolinas Inc., as owned by Frontier.<sup>7</sup>
3. Partially assign Section 214 authority held by Verizon Long Distance LLC to New Communications Online and Long Distance Inc., as owned by Frontier.
4. Partially assign Section 214 authority held by Verizon Enterprise Solutions LLC to New Communications Online and Long Distance Inc., as owned by Frontier.<sup>8</sup>

#### Transfer of Control Applications:

1. Transfer control of Section 214 authority held by Contel of the South, Inc. d/b/a Verizon Mid-States from Verizon to Frontier.
2. Transfer control of Section 214 authority held by Verizon North Inc. at closing from Verizon to Frontier.<sup>9</sup>

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<sup>5</sup> As only some customer relationships of these Section 214 authorization holders are being assigned through the transaction, the applicants seek only a partial assignment of Section 214 authority. The assignors for all partial assignment applications listed below will retain their respective international Section 214 authorizations after the closing and do *not* seek to assign them by this application. The Commission should issue new file numbers to the assignee for all of these partial assignment applications.

<sup>6</sup> Only the authority related to customers in Arizona and Nevada and portions of California near the Arizona and Nevada borders are being assigned.

<sup>7</sup> Only the authority related to customers in North Carolina, South Carolina and Illinois are being assigned.

<sup>8</sup> For Verizon Long Distance LLC and Verizon Enterprise Solutions LLC, the authority to be assigned pertains to originating switched voice long distance customer relationships that use central office switching currently provided by Verizon in the areas being sold to Frontier. For example, Verizon will transfer all of its mass market and enterprise market interstate interexchange customers who originate calls over Verizon's local exchange network in these states. Verizon will retain all of its domestic mass market interstate interexchange customers who originate calls over a competitive carrier's local switching network. In addition, Verizon will retain all its enterprise special access service customers.

<sup>9</sup> Prior to closing, Verizon North will partially assign its Section 214 authority for its assets, liabilities and customer relationships relating to its local exchange, intrastate toll and exchange access operations in Pennsylvania to Verizon North Retain Co., a Verizon entity to be formed and not owned by NCH. These assets, liabilities and customer relationships will not be transferred to Frontier. Applications for this *pro forma* partial assignment of Section 214

3. Transfer control of Section 214 authority held by Verizon Northwest Inc. from Verizon to Frontier.
4. Transfer control of Section 214 authority held by Verizon West Coast Inc. from Verizon to Frontier.
5. Transfer control of Section 214 authority held by Verizon West Virginia Inc. from Verizon to Frontier.

This narrative provides the information required by Sections 63.04 and 63.18 of the Commission's rules. Additionally, attached as Exhibit 1 is a statement demonstrating that the transaction is in the public interest, including a description of the parties and of the proposed transaction.

## **I. RESPONSE TO ITEMS ON IBFS ELECTRONIC FORMAT**

### **A. Answer to Question 10 - Section 63.18(a)-(d)**

Verizon is a holding company that has a number of wholly-owned subsidiaries which provide communications services and hold various FCC licenses and authorizations. Verizon or one of its wholly-owned subsidiaries is assignor or transferor for all Section 214 applications included in this transaction. The name, address and telephone number of the specific Section 214 authorization holder, assignor or transferor for each application is identified on the attached IBFS form. Verizon is a Delaware corporation, as are New Communications of the Southwest Inc., New Communications of the Carolinas Inc. and New Communications Online and Long Distance Inc. Verizon does not hold any international Section 214 authorizations, but directly or indirectly controls many subsidiaries who hold such authorizations to provide individual switched resale services and global or limited global facilities-based and resale services.

Frontier or an entity that will be wholly owned by Frontier post-transaction is the

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(Continued . . .)

authority will be submitted within 30 days of the completion of this restructuring, as permitted by the Commission's Rules.

assignee or transferee for all applications included in this transaction. The address and telephone number for all of these entities post-transaction will be:

180 South Clinton Ave  
5th Floor  
Rochester, NY 14646  
Tel: 585-777-5645

Frontier is a Delaware corporation. Frontier does not hold any international Section 214 authorizations, but directly or indirectly controls the following subsidiaries who hold international 214 authorizations: Frontier Communications of America, Inc., ITC-214-19971202-00753 (international resale services); Commonwealth Telephone Enterprises, Inc. and its subsidiaries, ITC-214-19960726-00343 (international facilities-based and international resale services); GVN Services, ITC-214-20020225-00113 (international resale services).

Correspondence concerning these applications should be directed to:

*For Verizon and the Verizon subsidiaries:*

Karen Zacharia  
Verizon  
1320 North Court House Road  
9<sup>th</sup> Floor  
Arlington, VA 22201-2909  
Tel: 703-351-3193  
Fax: 703-351-3662

with a copy to

Nancy J. Victory  
Wiley Rein LLP  
1776 K Street, NW  
Washington, DC 20006  
Tel: 202-719-7344  
Fax: 202-719-7049

*For Frontier:*

Kenneth F. Mason  
180 South Clinton Ave  
5th Floor  
Rochester, NY 14646  
(585) 777-5645

with a copy to:

John Nakahata  
Wiltshire & Grannis LLP  
1200 Eighteenth Street, N.W.  
12th Floor  
Washington, D.C. 20036-2506  
Tel: 202-730-1320  
Fax: 202-730-1301

**B. Answer to Question 11 – Section 63.18(h)**

As described above, some interests will be partially assigned to New Communications of the Southwest Inc., New Communications of the Carolinas Inc. and New Communications Online and Long Distance Inc. Following the transaction, New Communications Online and Long Distance Inc. will be a direct wholly-owned subsidiary of Frontier. New Communications of the Southwest Inc. and New Communications of the Carolinas Inc. will be direct wholly-owned subsidiaries of New Communications ILEC Holdings Inc., which will be a direct wholly-owned subsidiary of Frontier. No persons or entities hold a direct or indirect 10 percent or greater interest in Frontier.

**C. Answer to Question 13 - Narrative of Transfer of Control and Public Interest Statement**

A description of the transaction and demonstration of how the transaction is in the public interest is attached as Exhibit 1.

**D. Answer to Question 20 – Section 63.12**

The applicants do not request streamlined treatment of the Application because it will be

reviewed as part of a larger transaction that is not subject to streamlined treatment.

**E. Answer to Question 21 – Section 63.18(n)**

Frontier certifies that it has not agreed to accept special concessions directly or indirectly from a foreign carrier with respect to any U.S. international route where the foreign carrier possesses sufficient market power on the foreign end of the route to affect competition adversely in the U.S. market and will not enter into any such agreements in the future.

**F. Answer to Question 25 – Section 63.18(o)**

The Applicants certify that no party to the application is subject to a denial of Federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988, 21 U.S.C. § 862, because of a conviction for possession or distribution of a controlled substance.

**II. INFORMATION REQUIRED BY SECTION 63.04 OF THE COMMISSION'S RULES IN RELATION TO TRANSFER OF DOMESTIC 214 AUTHORIZATION**

In support of the Applicants' request for consent to transfer control of certain assets and customer relationships related to the provision of local exchange and exchange access services in the identified areas, as well as certain long-distance customer relationships in those areas to Frontier, the following information is submitted pursuant to Section 63.04 of the Commission's rules. 47 C.F.R. § 63.04. Specifically, Section 63.04(b) provides that applicants submitting a joint domestic/international Section 214 transfer of control application should submit as an attachment to the international Section 214 application responses to the information requested in paragraphs (a)(6) through (a)(12) of Section 63.04.

**Section 63.04(a)(6) – Description of the transaction:**

A description of the transaction and demonstration of how the transaction is in the public interest is attached as Exhibit 1.

**Section 63.04(a)(7) – Description of the geographic area in which the transferor and transferee offer domestic telecommunications services, and what services are provided in each area:**

A description of the geographic areas in which the transferor and transferee offer domestic telecommunications services, and a description of the services provided is contained in Exhibit 1.

**Section 63.04(a)(8) – Statement as to how the Application qualifies for streamlined treatment:**

The applicants do not request streamlined treatment of the Application because it will be reviewed as part of a larger transaction that is not subject to streamlined treatment.

**Section 63.04(a)(9) – Identification of all other Commission applications related to this transaction:**

The Commission applications related to this transaction are identified on pages 2-4 of this narrative.

**Section 63.04(a)(10) – Statement of whether the applicants request special consideration because either party is facing imminent business failure:**

The Applicants do not request special consideration because no parties to this transaction are facing imminent business failure.

**Section 63.04(a)(11) – Identification of any separately filed waiver requests being sought in conjunction with this application:**

No separately filed waiver requests are sought in conjunction with this application.

**Section 63.04(a)(12) – Statement showing how grant of the Application will serve the public interest, convenience and necessity:**

A demonstration of how the transaction is in the public interest is attached as Exhibit 1.

### **III. CONCLUSION**

For the reasons stated above and in Exhibit 1 to this application, the Applicants respectfully request that the Commission grant these applications for consent to partially assign

and transfer control of international and domestic Section 214 authority of Verizon and its subsidiaries to Frontier.

Respectfully submitted,

BY: VERIZON COMMUNICATIONS INC.

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BY: FRONTIER COMMUNICATIONS  
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/s/ Kenneth F. Mason

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Vice President – Government and Regulatory  
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Dated: May 28, 2009



# Exhibit 1

## Description of the Transaction and Public Interest Statement

Frontier Communications Corporation (“Frontier”) and Verizon Communications Inc. (“Verizon”) (collectively the “Applicants”) hereby request Commission consent to the assignment or transfer of control to Frontier<sup>1</sup> of certain radio licenses and domestic and international Section 214 authorizations now held by various wholly-owned subsidiaries of Verizon.<sup>2</sup> Such authority is necessary to effect the transfer to Frontier of Verizon’s local wireline operations serving residential, small-business, and some enterprise customers and certain long distance customers in predominantly rural and smaller city service areas in 14 states.<sup>3</sup>

This transaction is manifestly in the public interest. As the Commission has observed, transactions in which smaller carriers “that specialize in providing service in rural areas” acquire rural exchanges from larger incumbent carriers generally “d[o] not raise public interest issues” and “are unlikely to raise the potential of competitive harm.”<sup>4</sup>

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<sup>1</sup> The Applicants are concurrently filing 7 applications for assignment or transfer of radio licenses on FCC Form 603 as well as 9 applications in IBFS for partial assignment or transfer of international and domestic Section 214 authority.

<sup>2</sup> The Verizon subsidiaries that hold FCC licenses and authorizations that will be involved in this transaction are: Contel of the South, Inc. d/b/a Verizon Mid-States, Verizon California Inc., Verizon North Inc., Verizon Northwest Inc., Verizon South Inc., Verizon West Coast Inc., Verizon West Virginia Inc., Verizon Long Distance LLC, and Verizon Enterprise Solutions LLC. Collectively, these will be referred to as the “Verizon Subsidiaries.”

<sup>3</sup> The transaction involves the transfer to Frontier of all of Verizon’s local wireline operating territories in Arizona, Idaho, Illinois, Indiana, Michigan, Nevada, North Carolina, Ohio, Oregon, South Carolina, Washington, West Virginia, and Wisconsin. In addition, the transaction will include a small number, but not all, of Verizon’s exchanges in California, including those bordering Arizona, Nevada, and Oregon.

<sup>4</sup> See *Applications for the Transfer of Certain Spectrum Licenses and Section 214 Authorizations in the States of Maine, New Hampshire, and Vermont from Verizon Communications, Inc. to FairPoint Communications, Inc.*, Memorandum Opinion and Order, 23 FCC Rcd 514, ¶ 16 (2008) [“*Verizon/FairPoint Order*”]; *Implementation of*

That is clearly the case here. With this transaction, residential and business customers in service areas with 4.8 million lines in predominantly rural and smaller city service areas will join consumers across Frontier's territories and become a key strategic focus of Frontier. Frontier is a wireline communications company dedicated primarily to serving rural areas and smaller cities, where it has a proven track record of success. This transaction will allow Frontier to build on that success over much broader areas and generate substantial public interest benefits.

The proposed transaction will promote broadband deployment and investment in these areas. Today, Verizon's subsidiaries offer broadband to only about 60 percent of the homes and businesses in the communities that Frontier is acquiring. Frontier has a strong record of deploying broadband in communities even more rural than those that it will acquire here. Over time, Frontier has made broadband connections available to 92% of its customers in its existing service areas. As Frontier increases the number of homes and business to which it offers broadband services in the areas to be acquired, the number of households and businesses unserved or underserved by terrestrial broadband will also fall.<sup>5</sup> Indeed, increasing broadband availability will be a business imperative for Frontier in order to retain customers and to reduce the access line loss Verizon has recently been experiencing in these areas. Frontier will also bring to these communities its innovative customer service programs, such as its program to assist new subscribers for broadband services by sending a technician to a customer's home to set up service and ensure that consumers are comfortable navigating and using high-speed services in the home.

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*Further Streamlining Measures for Domestic Section 214 Authorizations*, Report and Order, 17 FCC Rcd 5517, ¶ 33 (2002).

<sup>5</sup> Frontier believes that the number of unserved households in these areas may be substantially higher than in more urbanized parts of the country.

Frontier believes that through a combination of investment and high-quality customer service, it can dramatically accelerate broadband penetration in these new markets over time.

In addition, the proposed transaction will make Frontier a stronger competitor to the benefit of consumers in the areas it serves. Frontier is already successful in rural areas and smaller cities – its sales and customer retention in its current service areas are better than Verizon’s in the communities to be acquired as measured by access line loss and long distance and high-speed Internet penetration. The transaction will further strengthen Frontier’s position as a leading provider serving rural communities and smaller cities, an increase in size and scale that will enable more efficient operations. Just as significantly, the transaction will transform Frontier by strengthening its balance sheet. Once the transaction closes, Frontier expects that its ratio of debt to EBITDA will decrease from 3.8 to 2.6 and that it will reduce its shareholder dividend per share by 25%. Further, Frontier anticipates that, once fully implemented, the transaction will yield efficiencies in the form of annual operating expense savings of \$500 million from the consolidation of various administrative functions and systems such as accounting and information systems and lower prices on capital expenditures as a result of Frontier’s greater purchasing power due to its increased size. This stronger financial structure and increased cash flow will enable Frontier to make more significant investments in the newly acquired areas, including in broadband infrastructure, and will ensure the presence of a strong, stable competitor in rural areas and smaller cities throughout much of the country.

Even as the proposed transaction generates these substantial benefits, it will not result in any competitive harm. None of the local exchanges being acquired by Frontier from Verizon overlap with any of the local exchanges already served by Frontier; Frontier and Verizon do not currently compete for customers in any of the affected exchanges. As a result, the transaction will not reduce the number of competitors in any region.

Moreover, this transaction will be seamless for retail and wholesale customers. On the retail side, Frontier will honor existing tariffs and contracts, including apportioning on a pro rata basis any volume thresholds or minimum revenue commitments. As to wholesale customers, Frontier will assume or honor all obligations under Verizon's current interconnection agreements, tariffs, and other existing arrangements, similarly including apportioning on a pro rata basis any volume thresholds or minimum revenue commitments, in addition to complying with the statutory obligations applicable to all incumbent LECs under sections 251 and 252. Further, because Frontier will not need to convert billing and other operational systems in thirteen of the fourteen states, retail and wholesale customers alike have no reason to fear disruption to the services they are receiving. Although the remaining state (West Virginia) will transition to Frontier's billing systems at close, these are existing, operational systems and do not need to be built from scratch. In addition, the parties have agreed to plan for and test data transfer and integration prior to close. In any case, Frontier has a strong record of successfully integrating acquisitions, including lines previously acquired from Verizon's predecessor, GTE, between 1993 and 2000. Frontier has consolidated five billing systems into one in the past five years, encompassing more

customers than are to be transitioned in West Virginia, and including conversions (as in West Virginia) made on the day of closing.

In sum, the proposed transaction will not cause competitive harm and will bring significant public interest benefits, including the increased deployment of broadband to rural areas, which both the President and Congress have identified as a national priority. The proposed transaction is occurring at a critical time, as the National Telecommunications and Information Administration and Rural Utilities Service are both working to implement the broadband provisions of the American Reinvestment and Recovery Act of 2009. Frontier currently plans to participate in the broadband funding program. Obviously, Frontier, like all private telecommunications providers, must await the final rules for those programs in order to determine whether it can seek “stimulus” funding to accelerate the availability of broadband to the unserved locations in these states; however, it would benefit the consumers in the acquired areas for this transfer to be approved as soon as possible to provide Frontier with the opportunity to participate sooner in that program with respect to the acquired properties on the same basis as its other properties and those of other providers. The Commission should expeditiously approve the transaction, if possible well in advance of the Commission’s 180-day objective.

#### **I. Description of the Parties**

Frontier, a publicly traded corporation, is a full-service communications provider focusing on rural areas and smaller cities. No individual or company owns or controls more than 10% of Frontier’s stock. Frontier provides an array of telecommunications and broadband services, including local and long distance voice, broadband data, and video,

through its wholly-owned operating companies. It currently has approximately 2.3 million access lines in 24 states<sup>6</sup> and serves predominantly rural areas and smaller cities.<sup>7</sup> Within its current territories, Frontier has an average line density of 17 access lines per square mile.

Frontier has a highly successful track record of acquiring, operating, and investing in telecommunications properties in rural communities and smaller cities. Frontier has successfully integrated its acquisitions of Rochester Telephone and other legacy subsidiaries, Global Valley, and Commonwealth Telephone, as well as landline assets purchased from GTE, a predecessor to Verizon, between 1993 and 2000. Frontier has extensive experience – and extensive success – converting existing billing systems to Frontier’s platform. Indeed, Frontier has consolidated five billing systems into one in the past five years.

As an experienced provider of telecommunications and broadband services, Frontier has established relationships with peers, partners, suppliers, regulators, and customers. Committed to innovation and expanded deployment and uptake of broadband in rural and smaller city service areas, Frontier has launched 45 new products in the last three years. Customer growth and service has been the focus of Frontier’s operations for the past five years, and the proposed transaction will enable Frontier to extend and

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<sup>6</sup> Frontier’s current service territories are located in Alabama, Arizona, California, Florida, Georgia, Idaho, Illinois, Indiana, Iowa, Michigan, Minnesota, Mississippi, Montana, Nebraska, Nevada, New Mexico, New York, Ohio, Oregon, Pennsylvania, Tennessee, Utah, West Virginia, and Wisconsin.

<sup>7</sup> As examples of small cities, Frontier serves Rochester, New York and its surrounding suburbs; Elk Grove, California, one of Sacramento’s fastest-growing suburbs; and Burnsville, Minnesota and nearby towns in the Minneapolis suburbs.

expand access to innovative products and high quality customer service to more rural areas of the country.

The local wireline operations and long distance customers that are involved in this transaction are served by certain operating telephone companies that are wholly owned by Verizon.<sup>8</sup> These wholly-owned subsidiaries provide local exchange service and exchange access service as well as long distance service to approximately 4.8 million lines in the areas to be transferred.

As addressed in further detail below, the local exchange operations and long distance customers that are part of this transaction will be transferred at closing (through a series of intermediate internal steps) to New Communications Holdings (“NCH”), a wholly-owned subsidiary of Verizon. The NCH stock then will be distributed to Verizon’s public shareholders. Immediately following the distribution of NCH stock to shareholders, NCH will be merged with and into Frontier. Upon completion of the transaction, Frontier will be the surviving corporation and will own and control the assets transferred through the transaction at issue here, as well as continue to own and control its current businesses.

The Commission has previously concluded that Frontier has the qualifications required by the Communications Act to control Commission licenses and authorizations,<sup>9</sup>

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<sup>8</sup> Verizon, a publicly traded corporation, is a holding company that has a number of operating subsidiaries that provide a range of communications services in the United States and throughout the world. The company’s operating subsidiaries and affiliates offer local and long distance telephone service, as well as broadband, video, and wireless services.

<sup>9</sup> See, e.g., *Global Crossing Ltd. and Frontier Corporation; Applications for Transfer of Control Pursuant to Sections 214 and 310(d) of the Communications Act, as amended*, Memorandum Opinion and Order, 14 FCC Rcd 15911, ¶ 10 (1999).



and nothing has changed to disturb this conclusion. There is also no question about Verizon's character or qualifications to hold Commission authorizations.<sup>10</sup>

## **II. Description of the Transaction**

On May 13, 2009, Frontier entered into an Agreement and Plan of Merger (the "Merger Agreement") with NCH and Verizon. The proposed transaction will ultimately, through a series of internal restructurings and stock transfers, lead to the transfer of Verizon's local exchange networks in Arizona, Idaho, Illinois, Indiana, Michigan, Nevada, North Carolina, Ohio, Oregon, South Carolina, Washington, West Virginia, and Wisconsin, and a portion of Verizon's local exchange networks in California, to Frontier. In addition to acquiring Verizon's local exchange business in these areas, Frontier will also acquire the customer relationships<sup>11</sup> for long distance, high speed Internet, and, where provided, wireline video and broadband data (*i.e.*, FiOS) services provided in these areas.<sup>12</sup>

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<sup>10</sup> See, *e.g.*, *Verizon Communications Inc. and MCI, Inc. Applications for Approval of Transfer of Control*, Memorandum Opinion and Order, 20 FCC Rcd 18433, ¶¶ 183-188 (2005); *Applications of GTE Corp. and Bell Atlantic Corp. For Consent to Transfer Control*, Memorandum Opinion and Order, 15 FCC Rcd 14032, ¶¶ 429-32 (2000).

<sup>11</sup> The Applicants will comply with any applicable anti-slamming requirements in the Commission's rules that arise from the transaction. See 47 C.F.R. § 64.1100 *et seq.*

<sup>12</sup> The portions of Verizon's broadband (FiOS) business being transferred to Frontier are in Oregon, Washington, South Carolina, and Indiana, including 41 local franchises in Oregon, Washington, and Indiana, which pass approximately 600,000 homes and small businesses, and are provided in these areas over the same networks used to provide local exchange services. The transaction does not include the services, businesses, or assets of Verizon Wireless, Verizon Business Global LLC (former MCI LLC), Federal Network Systems LLC, Verizon Network Integration Corp., Verizon Global Networks Inc., Verizon Federal Inc., Verizon Select Services Inc., or any other Verizon businesses in these states. Verizon Business is retaining contracts with its customers for Verizon exchange services in these states and will purchase exchange and other services from Frontier in order to serve these customers.